The Management University of Africa

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UNDERGRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF ARTS, HUMANITIES, DEVELOPMENT STUDIES AND SOCIAL SCIENCES (SADS)

DEGREE OF MASTER OF ARTS IN DEVELOPMENT STUDIES

MDE 518: NGOS & SOCIOECONOMIC DEVELOPMENT

DATE: 31ST JULY 2026

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE is compulsory.**
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. **Write all your answers in the Examination answer booklet provided**

QUESTION ONE

Read the following case study carefully and answer the questions that follow:

BORA KENYA INITIATIVE (BKI)

Bora Kenya Initiative (BKI) was founded in 2002 by a Kenyan, and a consortium of four European NGOs led by DutchAid. Its mandate was to reduce rural poverty in Nyanza and Western Kenya through women's savings groups, agricultural input loans, and civic education. BKI quickly earned a reputation as a grassroots-driven organisation: its field officers were recruited from target communities, and its savings group methodology was co-designed with village elders and women's cooperatives.

Between 2006 and 2016, BKI grew rapidly, supported by a consortium of five international donors including DutchAid, a USAID sub-grant, and two European Union rural development windows. At its peak in 2017, BKI managed 214 women's savings groups across four counties and had disbursed over KES 880 million in microloans. However, approximately 72% of BKI's budget came from three donors, all of whom imposed strict logframe indicators: loan repayment rates, number of group meetings held, and percentage of female group leaders. Critics within BKI noted that these metrics privileged outputs over outcomes and incentivised staff to recruit easier-to-reach, less vulnerable households rather than the poorest.

In 2014, the Kenyan government introduced the Public Benefits Organisations (PBO) Act, which required all NGOs to register under a new framework and submit detailed financial disclosures. BKI's board debated whether to publicly oppose provisions in the Act that gave the government power to deregister NGOs deemed threats to "national security" — language civil society groups considered vague and repressive. Ultimately, BKI's leadership decided against public advocacy,

fearing that donor contracts requiring "maintenance of operating environment" could be jeopardised. Several junior staff resigned in protest, arguing that BKI had abandoned its civic education mandate.

When DutchAid withdrew from Kenya in 2019 following a strategic global realignment, BKI lost 40% of its annual budget within one financial year. The organisation was forced to close offices in Kakamega and Bungoma, retrench 81 staff, and suspend its civic education programme entirely. By 2023, facing continued funding pressure, BKI entered a CSR partnership with Fahari Bank, a mid-sized Kenyan commercial bank seeking to expand its rural financial inclusion portfolio. Under the agreement, BKI provides financial literacy training to rural communities that Fahari Bank subsequently targets for mobile loan products. BKI would receive a fee per training cohort. Some board members celebrate the arrangement as proof of organisational sustainability; others argued it had transformed BKI from an advocate for the poor into a client acquisition agent for a profit-seeking institution.

BKI's new executive director, appointed in 20226 must decide whether to deepen the Fahari Bank partnership, which offers financial stability or return to donor-funded programming with its attendant dependency risks. She has also received a proposal from three local CBOs in Kisumu to form a coalition that could jointly apply for UN Women funding, potentially restoring BKI's grassroots legitimacy but requiring significant governance restructuring.

Required:

a) Analyse the relationship between BKI and its donor consortium using the NGO-donor accountability framework.
(4 Marks)
b) Examine how the logframe indicators imposed by donors distorted BKI's targeting methodology.
(4 Marks)
c) Evaluate BKI's decision to remain silent during the 2014 PBO Act debate.

(4 Marks)

d) Drawing on your understanding of NGOs and public advocacy, assess what BKI lost and gained by choosing organisational survival over democratic voice.

(4 Marks)

e) Using Bateman's (2011) critique of microfinance, analyse whether BKI's lending model was ever structurally capable of reaching the most marginalised, or exclusion as it occurred with BKI is an inherent tension in NGO-administered microfinance.

(4 Marks)

f) Assess the governance failures that contributed to BKI's sustainability crisis following DutchAid's exit in 2019.

(4 Marks)

g) Using the NGO governance framework, identify at least three specific governance gaps visible in the case.

(3 Marks)

h) Drawing on the NGO-private sector literature, identify three ethical principles that should govern any NGO-corporate partnership to prevent the commercialisation of a development mandate.

(3 Marks)

QUESTION TWO

a) Drawing on at least two development theories, critically evaluate the claim that NGOs have become indispensable actors in achieving sustainable development in Sub-Saharan Africa.

(6 Marks)

b) Analyse the structural tensions inherent in the NGO-donor relationship. To what extent do donor funding conditions compromise NGO autonomy, accountability to local communities, and long-term sustainability.

(3 Marks)

c) Propose a funding model that would better align donor incentives with grassroots development priorities.
(6 Marks)

QUESTION THREE

a) The rise of NGOs has often been interpreted as evidence of a vibrant civil society; however, some scholars argue that NGOs may in fact undermine democratic institutions by substituting for state functions and weakening citizen-state relations. Evaluate both sides of this argument.

(5 Marks)

b) NGOs have championed Microfinance as a tool for poverty alleviation, yet Bateman (2011) and Roy (2010) mount significant critiques of its development impact. Assess whether NGO-led microcredit and group formation strategies represent a sustainable pathway to socioeconomic empowerment for the rural poor.
(5 Marks)

c) You have been appointed as a governance consultant for a mid-sized Kenyan NGO that is experiencing declining donor trust, staff turnover, and weak community relations. Using your knowledge of NGO governance principles, design a comprehensive organisational reform plan for this NGO. **(5 Marks)**

QUESTION FOUR

a) International NGOs (INGOs) operate at the intersection of global politics, state sovereignty, and local development needs. Analyse how world political dynamics and economic forces shape the mandates, strategies, and effectiveness of INGOs

operating in conflict-affected or politically constrained environments. **(5 Marks)**

b) The emergence of NGO-private sector partnerships has created new possibilities for community development but also raises concerns about the commercialisation of development. Assess the conditions under which NGO-private sector collaboration produces genuine socioeconomic benefit versus those under which it serves. **(5 Marks)**

c) Using evidence from Africa, construct a framework for NGO engagement with the state that strengthens democratic governance rather than displacing it. In your answer, evaluate whether INGOs can remain genuinely independent advocacy actors or whether they inevitably become instruments of the foreign policy interests of their donor states. **(5 Marks)**